

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - December 20, 2004

United States Attorney Carol C. Lam announced today the unsealing, in federal court in San Diego, of a felony Complaint charging Robert F. Lenz with two counts of theft of public money and two counts of money laundering. The Complaint alleges that Lenz, while working as manager of internal controls for a United States Postal Service ("USPS") Processing and Distribution Center, stole postal money orders and engaged in financial transactions to conceal the source of his criminal proceeds. A warrant for Lenz' arrest was issued on the complaint, and he was arrested earlier today.

Also unsealed today was the affidavit filed in support of the Complaint. It alleges that Lenz used his position as manager of internal controls at the USPS Margaret L. Sellers Processing and Distribution Center in San Diego to steal approximately \$373,000.00. Lenz allegedly used several different schemes to cause USPS retail clerks to issue blank postal money orders to him based upon his fraudulent representations that he needed the postal money orders for USPS business. In fact, Lenz either cashed the postal money orders, deposited them in personal accounts, or used them to pay various personal expenses.

The affidavit describes the schemes Lenz is said to have used from August 2002 to the present to obtain the postal money orders. It asserts that, on numerous occasions, Lenz misappropriated proceeds from checks which the USPS received from recycling companies and which, as manager of internal controls, he was supposed to deposit into a USPS account. Rather than depositing the full amount, however, Lenz would instruct USPS clerks to deposit only a portion of the check amount and to return the balance to him in the form of blank money orders. At other times, Lenz simply instructed USPS clerks to draw on USPS accounts and provide him with blank postal money orders. Finally, Lenz would obtain blank money orders by re-submitting for payment by USPS clerks invoices for services or items which the USPS had already paid. Despite his representations to the clerks that the postal money orders were for USPS business, Lenz would use the postal money orders for personal expenses.

The affidavit further describes how Lenz negotiated the approximately 424 money orders he obtained from his various schemes. Lenz used the postal money orders in a number of different ways, including: cashing the money orders; making payments on his home equity loan; making payments on various personal credit cards; and paying miscellaneous bills, such as property taxes.

Oscar Villanueva, U.S. Postal Inspector-in-Charge of the Los Angeles Division, said, "It has been my experience that the vast majority of U.S. Postal Service employees are hardworking, dedicated individuals. As in any large business, incidences of alleged employee financial transgressions may occur. The U.S. Postal Inspection Service is committed to aggressively investigate these incidents, to protect the assets and ensure the integrity of the U.S. Postal Service."

United States Attorney Carol Lam stated, "It is obvious that the Postal Service, in addition to delivering the best service possible to the nation, is highly committed to integrity among its employees."

**DEFENDANT**

Robert F. Lenz

**SUMMARY OF CHARGES**

Violations of Section 641 - Theft of Public Money

Maximum Penalty: Ten years incarceration, a fine of \$250,000.00, three years of supervised release, and \$100.00 special assessment.

Violations of Section 1956 - Money Laundering

Maximum Penalty: Twenty years incarceration, a fine of \$500,000.00, five years of supervised release, and \$100.00 special assessment.

**AGENCY**

United States Postal Inspection Service

**A complaint itself is not evidence that the defendant committed the crimes charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.**